

**SBA Supporting and Encouraging Economic  
Development Through Entrepreneurship**  
September / October (Year End Newsletter)

**Were Moving**

**November 11<sup>th</sup>  
And 12<sup>th</sup>**



The Cleveland District Office will be moving  
from its present location on Superior Ave to  
our new location at:

**1350 Euclid Ave Suite 211  
Cleveland, Ohio 44115**

All phone numbers, e-mail addresses and fax  
numbers will remain the same. Please visit our  
home page for further details.

**All Time High – More loans  
than ever before!**

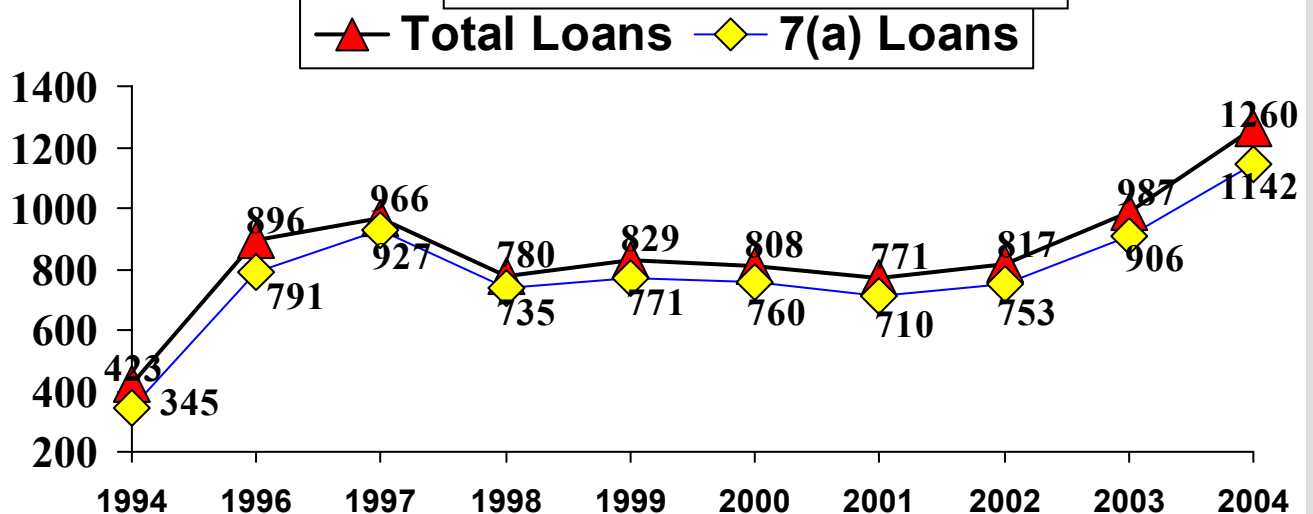
The Cleveland District Office did more loans  
in FY 2004 than any prior year. Total loans  
increased by 28% over last year. As is evident  
from the chart below the increase in loans has  
been ongoing.

504 Lending also saw a dramatic increase in  
FY 04. A total of 108 loans were made under  
the 504 program which represented a 28% in  
crease over FY 03.

In all respects FY 2004 was a fantastic year  
for the Cleveland District Office in terms of  
providing access to capital here in Northern  
Ohio.

**Thanks to all of our lending partners for  
making this past year so successful!**

**Cleveland District Office Loan Production**



(lenders ranked by number of loans)  
(all dollars in thousands)

**TOP SBA LENDERS - Total Loans to All Firms**

	Fiscal Year: 2004		2003	
	#	\$	#	\$
National City Bank	300	\$29,993	162	\$17,174
Sky Bank	123	\$20,873	78	\$12,329
Bank One	111	\$25,492	109	\$20,354
U.S. Bank	96	\$8,633	65	\$7,030
Key Bank	83	\$23,589	51	\$11,263
FirstMerit Bank	82	\$20,857	100	\$15,954
Capital One Fed. Savings Bank, VA	81	\$3,583	35	\$1,475
Huntington National Bank	62	\$9,872	62	\$12,042
Second National Bank of Warren	38	\$6,951	58	\$11,636
Wells Fargo	20	\$1,723	9	\$1,040

**TOP SBA LENDERS - Loans to Minority Firms**

	Fiscal Year: 2004		2003	
	#	\$	#	\$
National City Bank	26	\$2,307	19	\$2,454
Sky Bank	18	\$3,194	9	\$1,161
KeyBank	16	\$2,780	17	\$2,512
U.S. Bank	15	\$595	5	\$122
Bank One	8	\$1,867	12	\$2,024
Huntington National Bank	7	\$394	10	\$1,504
FirstMerit Bank	6	\$1,035	6	\$858
Capital One Fed. Savings Bank, VA	4	\$120	N/A	N/A
Unizan Bank	3	\$5,900	2	\$1,708

## National Lending Overview

With the end of the 2004 fiscal year on September 30, the U.S. Small Business Administration closed out a record-shattering year and continued to build upon a steady stream of accomplishments, providing more than twice as many loans to small businesses as in FY 2001. The agency surpassed its previous lending records in both the flagship 7(a) and 504 loan programs, and established volume records in loans to women, minorities, and veterans.

In FY 2004, the SBA backed 74,825 7(a) loans totaling \$12.5 billion to small businesses, and 8,168 loans worth \$3.9 billion under the 504, or Certified Development Company, program. The number of loans made under each program was a record, as well as the combined total. The combined total also is more than double the 41,552 loans that were made by the agency's lending partners and Certified Development Companies with SBA backing in FY 2001.

With record demand for capital, it is a sure sign that the economy is strengthening. Small businesses account for seven out of every 10 new jobs and produce countless new technologies and innovations.

"Small business is the economic engine that drives our economy," said Barreto. "Our record year is proof that the economy is expanding and creating new jobs, evident by the low unemployment rate of 5.4 percent. But we will not be satisfied until every American who wants a job has a job, so we will continue to work to strengthen the SBA and reach out to more small businesses."

Women and minorities benefited from record levels in FY 2004 as well, each more than double the levels set in 2001. Overall, nearly a third of SBA-backed loans went to

minorities, and the number of loans to African Americans, Hispanics and Asian Americans rose to record levels, up 32 percent over last year for African Americans, up 31.7 percent over last year for Hispanics and up 33.7 percent over last year for Asian Americans. The number of loans to women increased 27.3 percent over FY 2003, and the loans to veterans were up by 21 percent.

"We have worked hard to reach out to every community, and we are seeing the fruits of our labor with these numbers," Barreto said.

## ***SWEET SUCCESS: Reintroducing SBA's Success Story Program***

SBA always strives to learn about its success stories that detail the success of an American entrepreneur. An SBA success story is featured in each issue of this newsletter. An SBA success story simply tells the story of a small business and its owner. The definition of "success" is subjective and not simply defined by profitability, although it could be. A success story can simply tell a small business's tale of overcoming an obstacle, experiencing growth for the first time in years, or simply how an entrepreneur started his or her business. SBA's success stories could fall into any one of the following categories:

- Businesses that have directly benefited from SBA assistance or programs including loans, business development and contracting programs.
- Businesses that have directly benefited from SBA resource partner assistance, including, but not limited to SCORE, SBDCs and Women's Business Centers.
- Businesses that have benefited from regulatory reform including, but not

limited to reforms promoted by the Office of Advocacy.

- Businesses that have benefited from public policies advocated by the SBA (i.e. Health Savings Accounts, or increased expensing provisions in the tax code).
- Businesses that demonstrate the importance of small businesses to the overall economy.

The SBA success story program is utilized to create and maintain a database of stories. When a success story is used in any way, i.e. a news article, speech, or publication, it reaches existing small business and those aspiring to start small businesses. In this way, it benefits entrepreneurs to hear from other entrepreneurs who became successful and to know that there is help along the way from SBA. It benefits the business itself through great publicity, and it's also a great way to get the word out about your own organization and how it was instrumental in helping the business become a success.

We would love to hear about your success stories. If you know of a small business with a story to tell, please contact either your assigned Economic Development Officer or Jim Donato at (216) 522-4180, ext. 215. They can provide details of the success story process.

## **TEN LIVES ARE BETTER THAN NINE**

We've all heard that old wives tale that cats have nine lives. If Amy MacKay has any say in the matter, that old wives tale will not only become a reality but even embellished further to 10 or 11 lives!

Dr. Amy Mackay, you see, is a veterinarian who specializes in feline internal medicine,

including the treatment of cancers. She established her Nine Lives Cat Clinic in June, 2003 after several years of working in another veterinarian's clinic and dreaming of owning and operating one of her own. She saw a need in the market for a feline internal medicine specialist, but she did not know where to turn for assistance. That's where a realtor, a banker, and the U.S. Small Business Administration (SBA) came to the rescue.

The first step was finding a suitable location for a practice. A local realtor helped her find the perfect building in Richmond Heights that would serve as a great location for her practice, which led her to the next step: finding financing to allow her to acquire and renovate the building, purchase the necessary equipment and fixtures, and provide working capital. A referral to National City Bank set the financing in motion. The bank worked with SBA to structure suitable financing to meet Dr. MacKay's needs. She received three SBA guaranteed loans through National City Bank to finance all of her start-up needs.

"With SBA support, lending organizations like National City are able to provide more funds to entrepreneurs like myself," stated Dr. MacKay. "I am very thankful that the SBA exists to encourage and support small business ventures, and I applaud National City's dedicated relationship with the SBA. Together, they have allowed me to realize my dream."

Dr. MacKay's client base continues to grow, and she and her staff look forward to continued growth in the future. "My staff and I work together toward our goal of superior service", states Dr. MacKay. "Our motto is Quality Medicine; Compassionate Care. We are cat crazy, and so are our customers".

With the technical side of starting a business out of the way, Dr. MacKay can now

concentrate on her expertise - adding more lives to her feline clients!

### **New Online Application for SBA's 8(a) Program Will Make It Easier And Less Costly for Companies to Get Certification**

The U.S. Small Business Administration today unveiled a new electronic online application that will make it easier, faster and less expensive for small companies to apply for 8(a) Business Development and Small Disadvantaged Business certification directly from SBA's Web site.

Announced today during a luncheon at Minority Enterprise Development (MED) Week by SBA Administrator Hector V. Barreto, the new automated application will



substantially reduce the time and cost burdens imposed on small businesses applying for certification.

“The newly launched 8(a) on-line application will allow small businesses to apply for 8(a) and SDB certification directly from the SBA's Web site, and ensure more small businesses are able to successfully compete for federal contracting opportunities,” Barreto said. “This user-friendly application represents another accomplishment of this Administration in developing e-Gov tools that make access to

information less cumbersome for small business.”



The SBA's 8(a) Business Development Program helps small businesses owned, controlled, and operated by socially and economically disadvantaged individuals by providing management, technical, financial and federal contracting assistance with the aim of helping these entrepreneurs create viable

businesses. About 8,300 companies are presently certified in the 8(a) program. During FY 2003, \$9.56 billion in federal contracts were awarded to companies participating in the program.

The new automated application was developed by an 8(a) firm, Simplicity, Inc. in conjunction with the SBA's Office of Government Contracting and Business Development. It employs decision logic to screen applications allowing the SBA to review and process applications more efficiently and provide improved customer service. A demonstration of the application was given during the MEDWeek conference.

The application is 100 percent Web-based, allowing applicants to apply without downloading any software or plug-ins, replacing a four-page written application that required substantial supporting documentation. The online application incorporates features including context sensitive help, real-time validation, printer-ready versions and integrates with the Central Contractor Registry (CCR).

For more information, visit the SBA Web site at [www.sba.gov](http://www.sba.gov).

## Notice

The U.S. Small Business Administration is required to collect certain information regarding the involvement of loan agents in applications for financial assistance from SBA [13 C.F.R. §103.5]. Loan agents include any authorized representative, including a consultant, packager, broker or any other person representing an applicant or participant in a loan transaction. [See 13 C.F.R. §103.1(a)]. As with the collection of all data, the quality and accuracy of the data is important for oversight purposes. To this end, SBA is requiring that its lending partners be sure that accurate information regarding loan agents is entered into the E-Tran system.

Historically, SBA has collected information from loan agents only on applications submitted on paper. This information, however, is now also part of the recently implemented E-Tran electronic method of submitting loan guaranty requests. The E-Tran system asks lenders to identify whether a loan agent is the “source” of the loan. The purpose of this data is to determine whether a loan agent has been involved with the lending transaction. Therefore, for each loan submitted through E-Tran, lending partners must identify whether a loan agent was involved in any way with the transaction, and, if so, provide the name, street address, city, state and zip code of the loan agent.

## ***WANTED: National Small Business Week Nominees***

In recognition of the small business community’s contribution to the American economy, the President of the United States designates one week each year as National Small Business Week. As part of this special week, SBA presents awards to deserving

entrepreneurs and small business advocates at the district, state and national levels. We are already beginning our preparations for Small Business Week ’05, but we need your help making the week a success! We are seeking nominees for the awards that will be distributed during Small Business Week.

If you know of someone deserving of consideration for these prestigious awards, please contact Jim Donato at (216) 522-4180, ext. 215. Jim can provide details of the nomination process. We hope to accept applications for various award categories, including **Small Business Person of the Year, Small Business Exporter of the Year, Financial Services Champion of the Year, Minority Small Business Champion of the Year, Women in Business Champion of the Year, Small Business Journalist of the Year, SBA Family-owned Small Business of the Year** and others.

We know we have great small businesses and small business advocates here in the area – let’s see if we can get one recognized at the National level during Small Business Week ‘05!!!